



# California Fair Political Practices Commission

October 14, 1987

Jean K. Breen, Treasurer  
Concerned Citizens of Mountain Gate  
P.O. Box 1479  
Project City, CA 96079

Re: 87-254

Dear Ms. Breen:

Your letter requesting advice under the Political Reform Act was received on October 13, 1987 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to the information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Adm. Code Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

*Jeanne Pritchard*  
Jeanne Pritchard  
Chief  
Technical Assistance and Analysis  
Division

JP:jaj





# California Fair Political Practices Commission

November 24, 1987

Jean K. Breen, Treasurer  
Concerned Citizens of Mountain Gate  
P. O. Box 1479  
Project City, CA 96079

Re: Your Request For Advice  
Our File No. A-87-254

Dear Mrs. Breen:

You have requested advice regarding the campaign disclosure provisions of the Political Reform Act.<sup>1/</sup> This letter will confirm the telephone advice I provided to you on November 9, 1987.

Concerned Citizens of Mountain Gate is a registered recipient committee formed to support and oppose candidates and issues in Mountain Gate. You have asked whether certain payments made from the personal funds of individual committee members must be reported on the committee's campaign disclosure reports. The payments were made in connection with a lawsuit filed against Concerned Citizens and its individual members by Ed Weiss, a candidate which the committee opposed in the 1985 election for the Mountain Gate Community Services District.

After the individual committee members personally paid approximately \$500 to the attorney representing them in the lawsuit, the members were reimbursed by their individual insurance companies under the provisions of their homeowners' policies. The insurance companies also have provided their own attorneys to represent the committee members.

In addition, Concerned Citizens has received two donations, one for \$80 and one for \$500, to help pay the costs of the litigation. You have asked whether the payments discussed above are required to be disclosed on Concerned Citizens' campaign disclosure reports and, if so, how to report them.

During our telephone conversation on November 9, 1987, I advised you that payments made from personal funds by individual committee members and payments made by the members' insurance

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<sup>1/</sup>Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Administrative Code Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Administrative Code.


Jean K. Breen  
Page 2

companies are not required to be reported on Concerned Citizens' campaign disclosure reports. However, donations made to the committee to help cover litigation expenses are reportable as contributions on Schedule A of the committee's campaign disclosure reports. When the committee uses the funds to pay costs in connection with the lawsuit, the payments must be reported on Schedule E of the disclosure reports. (Section 84211.)

I hope the foregoing has been helpful. Please let me know if you have additional questions.

Sincerely,

Diane M. Griffiths  
General Counsel

By:   
Carla Wardlow  
Political Reform Consultant

10/9/87

Oct 13 9 31 AM '87

Dear Mr. Deane,  
I am enclosing information  
regarding the various I have  
had with Carl Williams. The  
letters are self-explanatory  
and I would appreciate  
your assistance in obtaining  
this matter.

At this writing, I believe I  
have missed one report. I  
dealt with Sept. 24 and the  
Oct. 22 deadline coming up.  
I still need to know if the  
Mexico has personally had  
should have been reported by  
Mexico our organization as  
refused to report the report.  
If Mexico does not  
make directly to attorney  
should be reported.

Yours truly,  
J. M. Deane

September 4, 1987

N. Eugene Hill  
Ass't Attorney General  
1515 K St., Suite 511  
Sacramento, Ca. 95814

Dear Mr. Hill,

Concerned Citizens of Mountain Gate, a political action committee, registered with the Secretary of State 6/7/80 #801835. Formed to support and/or oppose candidates and issues within our Community. We have participated in elections in '80, '81, '83 and '85, involving recall and regular elections of Mountain Gate Community Services District and Bass School Board members.

October 31, 1986 we were sued by Mr. Ed Weiss, a former Mountain Gate Fire Chief and a candidate for board member of the Mountain Gate Community Services District in Nov. 1985 election. We, being the four officers and the Concerned Citizens, Does I-XX

At that time "Concerned Citizens" did not have a bank account. We raised monies only for elections and our balance on hand was .354. We, Mrs. Alford, Mrs. Jones, Mrs. Kelby and myself consulted attorney Mike Fitzpatrick to represent us and "Concerned Citizens". On 12/9/86 the 12 of us paid the Attorney a total of \$512.00.

On 12/1/86 we received an anonymous cash donation, which we believed to be for attorney fees. On 12/17/86 Robert Howland, former chairman of Concerned Citizens, gave defendant Doreen Kelby a check for \$500.00 made payable to Doreen Kelby which he said was to help with attorney fees. On 12/22/86 Mrs. Kelby cashed the \$500.00 check from Howland and wrote her own personal check for \$290.00 payable to Att'y Fitzpatrick to cover the filing fee for the case. The \$210.00 cash balance from Howland's \$500.00 plus the \$80.00 cash donation, plus the .354 cash on hand was deposited in the Federal Savings account #1011063532, Concerned Citizens of Mountain Gate.

I had contacted the local election board for information on reporting attorney fees and funds designated for the law suit. Having no knowledge of the procedure involved, they referred us to Carla at the Fair Political Practices Commission in their office. She advised us to report these transactions as monies and contributions and payments made. I did so on 12/22/86 covering 7/1/86 through 12/31/86 filed 1/30/87.

Attorney Fitzpatrick had advised the four defendant to contact their respective insurance companies, asking if they could cover our defense. All four companies said they could help. For now we had to wait until we had more information, including Mrs. Kelby and Michael's insurance company, who advised us that the firm of Esch & Associates could be representing us.

Attorney Fitzpatrick billed each of the four insurance companies for \$1019.89 through 11/1/87, a total bill of \$4079.56 or \$1019.89 each. We paid \$1019.89, plus \$290.00 and there was a balance still due of \$211.00. We request the four companies receive checks from Fitzpatrick in the amount we had each paid. 11/3/86 totaling \$511.00 and \$290.00 from Fitzpatrick went out to concerned citizens. The \$290.00 covered the check from Esch & Kelby from our \$500.00 donation. The \$290.00 credited in

Concerned Citizens account.

In 1987, I again contacted Carla at Fair Political Practices regarding their attorney fees. Now there was an other attorney, but he is still in the insurance Companies directly. She told me how to file my report for 1/1/87 through 4/30/87 and I filed it on 7/20/87. She said that I could always add it if necessary. On 8/14/87 Carla phoned to advise me to contact his office for further information on this matter.

A other defendant, our present chairman of Concerned Citizens, has been sued in the lawsuit and his insurance company will not pay his attorney fees.

My questions are:

1. Is the reporting correct thus far?
2. Should any or all of this be part of Concerned Citizens reports, and if only part of the funds, then how can they be defined for the reports that must be made?

I would appreciate your advise on this matter, as we are facing an election in November and will have campaign monies as well as monies for attorney fees to disburse and a report between now and Nov. 3. If further information is needed, please advise.

Sincerely,

Jean K. Breen, treasurer  
Concerned Citizens of Alta.  
Gate.  
P.O. Box 1479  
Project City, Ca. 95079

1	Bank of America (Cash)	200	200	200
2	U.S. Nat. Bank (Cash)	200	200	400
3	12/15 Year 1969 CR # 969	100		300
4	12/18 Jean R. Brown CR # 941	183		117
5	12/18 Sharon James CR # 2868	50		67
6	12/18 Marjorie Melby	185		(118)
7	12/18 Mike Fitzpatrick (Atty)		518	400
8	12/19 Cunningham (Cash)		800	1200
9	12/19 Jean R. Brown (Cash)		400	1600
10	12/19 Mike Melby (Cash)		400	2000
11	12/19 Robert Melby (Atty) CR # 1000	500		1500
12	12/19 Marjorie Melby & Fitzpatrick (Atty)	290		1210
13	12/19 Cash balance forward 12/18 = 235		1100	335
14	12/19 Mike Fitzpatrick (Atty)		1100	1435
15	12/19 Cash forward from 12/18 = 35		1100	1470
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FORM 420  
1987

RECIPIENT COMMITTEE  
CAMPAIGN STATEMENT

(Government Code Sections 84200-84217)

Type or Print in Ink

Statement covers period 1/1/87 through 6/30/87

CHECK ONE OF THE FOLLOWING BOXES TO INDICATE THE TYPE OF STATEMENT BEING FILED.

☐ PRE-ELECTION STATEMENT

☒ SEMI-ANNUAL STATEMENT

☐ SUPPLEMENTAL PRE-ELECTION

STATEMENT (If filing a Supplemental  
Pre-Election Statement, you must  
complete Form 495 and attach it to  
this statement.)

☐ BALLOT MEASURE QUALIFICATION  
STATEMENT

☐ SPECIAL ODD-YEAR CAMPAIGN  
REPORT

FILED

ANN REED, CLERK

JUL 30 1987

B. Braun  
DEPUTY CLERK

A OFFICIAL USE ONLY

NAME OF COMMITTEE:

Concerned Citizens of Mountain Gate

I.D. NUMBER

801835

ADDRESS OF COMMITTEE: NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE/PHONE NUMBER

100 Box 1479 Project City, CA 96079 916-275-1129

NAME OF TREASURER:

John K. Breen

PERMANENT ADDRESS OF TREASURER: NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE/BUSINESS PHONE NUMBER

8138 Wonderland Blvd. Redding, CA 96003 916-275-1129

II IS THIS A SPONSORED COMMITTEE? (See definition on reverse)

☐ YES

☒ NO

III IS THIS A CONTROLLED COMMITTEE? (See definition on reverse)

☒ YES (If yes, candidate or officeholder must  
verify the campaign statement)

☐ NO

DATE OF ELECTION (Mo., Day, Yr.) (If applicable):

NA

TOTAL PAGES

5

IV CANDIDATES OR STATE MEASURE PROPONENTS CONTROLLING THIS COMMITTEE; CANDIDATES, STATE MEASURE PROPONENTS OR COMMITTEES WITH WHICH THIS COMMITTEE ACTS JOINTLY. NOTE: If this committee is controlled by more than one candidate, the name of each controlling candidate must be listed below.

NAME OF CANDIDATE, STATE MEASURE PROPONENT OR AFFILIATED COMMITTEE. IF  
CANDIDATE, ALSO PROVIDE THE NAME OF THE ELECTIVE OFFICE SOUGHT OR HELD,  
AND DISTRICT NUMBER, IF ANY.

IF ACTING JOINTLY WITH ANOTHER COMMITTEE, IDENTIFICATION NUMBER OF COM-  
MITTEE OR TREASURER'S NAME AND PERMANENT STREET ADDRESS

Mike Kicketts,

BOARD MEMBER

Mountain Gate Community Services  
Mountain Gate Community District

V CANDIDATE(S) OR MEASURE(S) FOR WHICH THIS COMMITTEE IS PRIMARILY FORMED

NAME OF CANDIDATE OR MEASURE

SUPPORT

OPPOSE

OFFICE OF  
CANDIDATE

OR

BALLOT MEASURE  
NUMBER OR LETTER  
AND JURISDICTION

Attach additional information on appropriately labeled continuation sheets.

VERIFICATION

C

I have used all reasonable diligence in preparing this Statement. I have reviewed the Statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

D

Executed on

7/29/87

at

Redding, Calif.

by

John K. Breen

(SIGNATURE OF TREASURER)

E

A candidate, officeholder or state measure proponent who controls a committee must also verify the campaign statement.

I have used all reasonable diligence and to the best of my knowledge the treasurer has used all reasonable diligence in preparing this Statement. I have reviewed the Statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

F

Executed on

7-29-87

at

Redding, Calif.

by

Mike Kicketts

(SIGNATURE OF CANDIDATE, OFFICEHOLDER OR PROPONENT)

Executed on

(DATE)

at

(CITY AND STATE)

by

(SIGNATURE OF CANDIDATE, OFFICEHOLDER OR PROPONENT)

Executed on

(DATE)

at

(CITY AND STATE)

by

(SIGNATURE OF CANDIDATE, OFFICEHOLDER OR PROPONENT)

For information required to be provided to you pursuant to the Information Practices Act of 1977, see "Information Manual on Campaign Disclosure Provisions of the Political Reform Act."

**CAMPAIGN DISCLOSURE STATEMENT SUMMARY PAGE  
FORM 420 OR 490**

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD

FROM THROUGH

11/1/89 4/30/90

NAME OF CANDIDATE, OFFICEHOLDER OR COMMITTEE:

TURNED CITIZENS OF MOUNTAIN GATE

I.D. NUMBER (IF COMMITTEE)

801835

	COLUMN A Cumulative total from previous period *	COLUMN B Total this period from attached schedules	COLUMN C Cumulative to date (Columns A + B)
<b>CONTRIBUTIONS RECEIVED</b>			
1. Monetary contributions .....	\$	\$ SCHEDULE A, LINE 3	\$
2. Loans received .....		SCHEDULE B, LINE 7	
3. SUBTOTAL CASH RECEIPTS .....	\$ LINES 1 + 2	\$ LINES 1 + 2	\$ LINES 1 + 2
4. Non-monetary contributions .....		SCHEDULE C, LINE 3	
5. TOTAL CONTRIBUTIONS WITHOUT PLEDGES .....	LINES 3 + 4	LINES 3 + 4	LINES 3 + 4
6. Pledges .....		SCHEDULE D, LINE 7	
7. TOTAL CONTRIBUTIONS .....	LINES 5 + 6	LINES 5 + 6	LINES 5 + 6 (SHOULD EQUAL LINE 7, COLUMNS A + B)
<b>EXPENDITURES MADE</b>			
8. Payments .....	\$	\$ 5.00 SCHEDULE E, LINE 5	\$ 5.00
9. Loans made .....		SCHEDULE EE, LINE 7	
10. SUBTOTAL .....	LINES 8 + 9	5.00 LINES 8 + 9	5.00 LINES 8 + 9
11. Accrued expenses (unpaid bills) .....		1561.75 SCHEDULE F, LINE 6	1561.75
12. TOTAL EXPENDITURES .....	\$ LINES 10 + 11	\$ 1566.75 LINES 10 + 11	\$ 1,566.75 LINES 10 + 11 (SHOULD EQUAL LINE 12, COLUMNS A + B)

\* IF THIS IS THE FIRST REPORT FILED FOR THE CALENDAR YEAR, COLUMN A SHOULD BE BLANK EXCEPT FOR UNPAID LOANS RECEIVED, PLEDGES, OUTSTANDING LOANS MADE AND UNPAID BILLS (LINES 2, 6, 9 AND 11).

**STATEMENT OF CHANGES IN FINANCIAL CONDITION**

13. Cash on hand at the beginning of this period. (Enter "Cash on Hand at Closing Date" from previous statement filed.) .....	\$ 290.35	
14. Cash receipts this period (Line 3, Column B above) .....		
15. Miscellaneous adjustments to cash (Schedule G, Line 8) .....	299.96	
16. Cash payments this period (Line 10, Column B above) .....	5.00	
17. Cash on hand at closing date (Lines 13 + 14 + 15 - 16 above) .....		\$ 585.31
18. Cash equivalents (other assets held including outstanding loans made to others). Important: See instructions on reverse .....		\$
19. Outstanding debts (Line 2 + Line 11 of Column C above) .....		\$ 1,566.75

**SUMMARY FOR CANDIDATES IN BOTH A JUNE AND NOVEMBER ELECTION (See Instructions on Reverse)**

20. CONTRIBUTIONS RECEIVED:

21. EXPENDITURES MADE:

1/1 thru 6/30	7/1 to date

# SCHEDULE E

## PAYMENTS AND CONTRIBUTIONS (OTHER THAN LOANS) MADE PAGE \_\_\_\_ OF \_\_\_\_ FORM 420 OR 490

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD  
FROM 1/1/87 THROUGH 6/30/87

NAME OF CANDIDATE, OFFICEHOLDER OR COMMITTEE:

*Conservation Citizens of Mountain Gate*

I.D. NUMBER (IF COMMITTEE)

801835

### CODES FOR CLASSIFYING EXPENDITURES

If one of the following codes is used to describe the expenditure, no written description is needed. (Note exceptions on the back of this schedule for codes "C", "I" and "T".) Refer to the back of this schedule for detailed explanations of each category.

"C" — MONETARY & IN-KIND CONTRIBUTIONS TO OTHER CANDIDATES OR COMMITTEES  
"I" — INDEPENDENT EXPENDITURES  
"L" — LITERATURE  
"B" — BROADCAST ADVERTISING  
"N" — NEWSPAPER AND PERIODICAL ADVERTISING  
"O" — OUTSIDE ADVERTISING

"S" — SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS  
"F" — FUNDRAISING EVENTS  
"G" — GENERAL OPERATIONS AND OVERHEAD  
"T" — TRAVEL, ACCOMMODATIONS AND MEALS  
"P" — PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES

**IMPORTANT:** Do not itemize the payment of accrued expenses on Schedule E. Report only the lump sum of these payments on Line 4 of the Summary section, below.

NAME AND ADDRESS OF PAYEE, CREDITOR OR RECIPIENT OF CONTRIBUTION (IF COMMITTEE, ALSO ENTER I.D. NUMBER OR NAME AND ADDRESS OF TREASURER)	CODE OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
<input type="checkbox"/> If more space is needed, check box at left and attach additional Schedules E.			SUBTOTAL

**IMPORTANT:** Contributions and expenditures on behalf of other candidates or committees must also be entered in the allocation section at the front of the campaign statement.

### SUMMARY

1. PAYMENTS OF \$100 OR MORE MADE THIS PERIOD (Include all Schedule E subtotals) .....	\$	500
2. PAYMENTS UNDER \$100 THIS PERIOD (Not itemized) .....	\$	500
3. TOTAL INTEREST PAID THIS PERIOD ON OUTSTANDING LOANS (Schedule B, Part 2, Column (b)) .....	\$	
4. TOTAL ACCRUED EXPENSES PAID THIS PERIOD (Not itemized) (Schedule F, Line 4) .....	\$	
5. TOTAL PAYMENTS THIS PERIOD (Line 1 + 2 + 3 + 4) Enter here and on Line 8, Column B of Summary Page .....	\$	500

# SCHEDULE F

## ACCRUED EXPENSES (UNPAID BILLS) FORM 420 OR 490

(Amounts May Be Rounded To Whole Dollars)

PAGE        OF         
STATEMENT COVERS PERIOD  
FROM 11/1/87 THROUGH 6/30/87

NAME OF CANDIDATE, OFFICEHOLDER OR COMMITTEE:

UNION-OWNED CITIZENS OF MOUNTAIN COTE

I.D. NUMBER (IF COMMITTEE)

801835

### CODES FOR CLASSIFYING ACCRUED EXPENSES

If one of the following codes is used to describe the accrued expense, no written description is needed. (Note exceptions on the back of this schedule for codes "C", "I" and "T".) Refer to the back of this schedule for detailed explanations of each category.

"C" — MONETARY & IN-KIND CONTRIBUTIONS TO OTHER CANDIDATES OR COMMITTEES.  
"I" — INDEPENDENT EXPENDITURES  
"L" — LITERATURE  
"B" — BROADCAST ADVERTISING  
"N" — NEWSPAPER AND PERIODICAL ADVERTISING  
"O" — OUTSIDE ADVERTISING

"S" — SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS  
"F" — FUNDRAISING EVENTS  
"G" — GENERAL OPERATIONS AND OVERHEAD  
"T" — TRAVEL, ACCOMMODATIONS AND MEALS  
"P" — PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES

NAME AND ADDRESS OF PAYEE, CREDITOR OR RECIPIENT OF CONTRIBUTION (IF COMMITTEE, ALSO ENTER I.D. NUMBER OR NAME AND ADDRESS OF TREASURER)	CODE OR	DESCRIPTION OF PAYMENT	AMOUNT ACCRUED
MRS. FITZPATRICK (ATTY) 671 MARAGLIA, SUITE C REDDING, CA. 96049	P	ATTY'S. FEE ORIGINALLY (7/1/86-12/31/86) \$205.50 ACTUAL BILLS W/TS \$211.00	205.50 5.50
MRS. FITZPATRICK 671 MARAGLIA, SUITE C REDDING, CA. 96049	P	ACCRUED EXPENSES OF \$211.00 PAID BY INS. COMPANIES OF ALFORD, GREEN, JAMES, MCLAY	<211.00>
SUBTOTAL			-0-

☐ If more space is needed, check box at left and attach additional Schedules F.

**IMPORTANT:** Do not itemize the *payment* of accrued expenses on Schedules E or F. Report the lump sum of these payments on Schedule E, Line 4, and on Schedule F, Line 4. Do not re-itemize accrued expenses which have been reported in a previous period.

### SUMMARY

1. ACCRUED EXPENSES OF \$100 OR MORE THIS PERIOD .....	\$ 1,561.75
2. ACCRUED EXPENSES OF UNDER \$100 THIS PERIOD (Not itemized) .....	-0-
3. TOTAL ACCRUED EXPENSES INCURRED THIS PERIOD (Line 1 + 2) .....	1,561.75
4. ACCRUED EXPENSES PAID THIS PERIOD (Not itemized) (Enter here and on Schedule E, Line 4) .....	-0-
5. NET CHANGE THIS PERIOD (Subtract Line 4 from Line 3) Enter difference here and on Line 11, Column B of Summary Page .....	1,561.75

(May be negative figure)

**SCHEDULE G**

**MISCELLANEOUS ADJUSTMENTS TO CASH POSITION  
FORM 420 OR 490**

(Amounts May Be Rounded To Whole Dollars)

PAGE \_\_\_\_\_ OF \_\_\_\_\_

STATEMENT COVERS PERIOD  
FROM \_\_\_\_\_ THROUGH \_\_\_\_\_

1/1/87 6/30/87

NAME OF CANDIDATE, OFFICEHOLDER OR COMMITTEE:

CONCERNED CITIZENS OF MOUNTAIN GATE

I.D. NUMBER (IF COMMITTEE)

201835

DATE	NAME AND ADDRESS OF SOURCE (IF RECEIPT) OR PAYEE (IF EXPENDITURE). (IF COMMITTEE, ALSO ENTER I.D. NUMBER OR NAME AND ADDRESS OF TREASURER.)	DESCRIPTION OF ADJUSTMENT	AMOUNT OF	
			INCREASE TO CASH	DECREASE TO CASH
3/4/87	HOME FEDERAL SAVINGS BEECHER LANE REDDING, CA. 96002	INTEREST ON SAVINGS ACCT. #13311038932	2.68	
6/30/87	HOME FEDERAL SAVINGS	"	7.28	
4/1/87	MIKE FITZPATRICK (ATTY.) 671 MARAGLIA SUITE C REDDING, CA. 96049	REIMBURSEMENT BY INSURANCE COMPANIES OF HAROLD BRECH, JAMES + MELBY	299.00	
SUBTOTAL			(a) 299.96	(b) 

☐ If more space is needed, check box at left and attach additional Schedules G

**SUMMARY**

1. INCREASES TO CASH OF \$100 OR MORE THIS PERIOD (Column (a)) .....	\$ 299.96	
2. INCREASES TO CASH OF LESS THAN \$100 THIS PERIOD (Not itemized) .....	—	
3. TOTAL OF ALL INTEREST RECEIVED THIS PERIOD ON LOANS MADE TO OTHERS (Schedule EE, Part 2 (b)) .....	—	
4. TOTAL INCREASES TO CASH THIS PERIOD (Line 1 + 2 + 3) .....		299.96
5. DECREASES TO CASH OF \$100 OR MORE THIS PERIOD (Column (b)) .....	—	
6. DECREASES TO CASH OF LESS THAN \$100 THIS PERIOD (Not itemized) .....	—	
7. TOTAL DECREASES TO CASH THIS PERIOD (Line 5 + 6) .....		
8. TOTAL MISCELLANEOUS ADJUSTMENTS TO CASH THIS PERIOD (Line 4 minus Line 7) Enter here and on Line 15 of Summary Page .....		\$ 299.96

(May be negative figure)

JOHN K. VAN DE KAMP  
Attorney General

State of California  
DEPARTMENT OF JUSTICE



1515 K STREET, SUITE 511  
P.O. BOX 944255  
SACRAMENTO 94244-2550  
(916) 445-9555

September 15, 1987

(916) 324-5481

Ms. Jean K. Breen  
Concerned Citizens for Mountain Gate  
P. O. Box 1479  
Project City, CA 96079

Dear Ms. Breen:

This letter is in response to your correspondence of September 4, 1987 requesting advice concerning your reporting obligations in connection with raising funds to pay for legal representation. Although we will not be able to answer the two questions you posed, I nevertheless hope this letter will be helpful to you.

The two questions specifically asked in your letter concern your compliance with the reporting provisions of the Political Reform Act. In this regard, we defer to the Fair Political Practices Commission which has the primary responsibility for interpreting and implementing the Political Reform Act. Based on the information set forth in your letter, we have no reason to question the advice they have provided you with respect to your reporting obligations.

The Attorney General's office has jurisdiction over the prohibition against the personal use of campaign funds contained in Elections Code section 12400 et seq. With respect to the application of that section to your circumstances, I am including two advice letters which this office released in the past. Both letters discuss the appropriateness of using campaign funds to pay for legal fees and, therefore, hopefully will be of assistance to you.

Very truly yours,

JOHN K. VAN DE KAMP  
Attorney General

A handwritten signature in dark ink, appearing to read "Ted Prim", is written over the typed name.

TED PRIM  
Deputy Attorney General

TP/bam

Enc.





April 4, 1983

Blanca Alvarado  
1411 Sunshadow Lane  
San Jose, CA 95127

Dear Ms. Alvarado:

Re: Use of Campaign Funds

Your letter dated January 25, 1983 asks whether campaign funds may be used to pay attorneys fees expended to defend a campaign worker charged with malicious mischief. In your letter you advised us of the following: A campaign worker found that campaign signs of your opponent had been placed so that they covered signs for your campaign, which had been placed throughout the district. Your campaign worker removed the signs of your opponent that covered your signs. They were taken to your opponent. Your opponent filed a complaint with the District Attorney and your campaign worker was cited for malicious mischief.

You wish to know whether under such circumstances the fees of the attorney defending your campaign worker against malicious mischief charges may be paid from campaign funds.

Elections Code section 12401 prohibits the use of campaign funds to defray expenditures for "personal" use. Section 12401 defines personal use as follows:

"A payment from campaign funds is for personal use if the payment creates a substantial personal benefit and does not have more than a negligible political, legislative, or governmental purpose. However, a payment from campaign funds is not for personal use if it is to replace articles lost, damaged, or stolen in connection with political, legislative, or governmental activity."

Elections Code section 12402 provides in pertinent part:

"The following expenditures shall be considered the personal use of campaign funds, and shall not be made, unless there is a reasonable relationship to political, legislative, or governmental purposes:

"(a) Payments for professional services or personal debts, including, but not limited to, personal income taxes and settlements of civil actions, and related attorneys fees."

Campaign funds are not public funds but private funds which prior to the enactment of the above provisions in 1981 were not subject to any specific statutory restrictions. There is nothing in the language of section 12402, or any other provisions of the chapter of which that section is a part, which would suggest that the Legislature intended to prohibit the use of campaign funds to pay attorneys fees in criminal actions. The legislative requirement of section 12402 is that an expenditure for professional services bear a reasonable relationship to a political, legislative, or governmental purpose.

On the basis of the facts included in your letter, we have concluded that fees to an attorney acting to defend criminal charges brought against a campaign worker for acts undertaken in furtherance of the campaign, may be properly paid from campaign funds. Section 12402 provides that such fees are not a personal use of campaign funds when the use bears a reasonable relationship to a political, legislative or governmental purpose. When a campaign worker undertakes action which is believed to be in furtherance of the campaign and a dispute arises as to whether that action is proper or improper, we believe that campaign funds may be used to resolve the dispute. However, we must emphasize



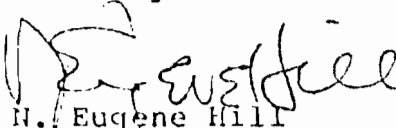
April 4, 1983

that the use of campaign funds for such purposes is not mandated -- all we say is that we believe that such use is not prohibited under sections 12401 and 12402.

We hope this analysis is of assistance to you.

Very truly yours,

JOHN K. VAN DE KAMP  
Attorney General

  
N. Eugene Hill  
Assistant Attorney General

NEH:els



SB 42-83-18

April 4, 1983

Albert H. Maldonado, Esq.  
710 Brookside Avenue, Suite 7  
Redlands, CA 92373

Dear Mr. Maldonado:

Re: Use of Campaign Funds

Your letter dated March 3, 1983 asks whether San Bernardino County Supervisor Robert Townsend may use campaign funds to pay attorney fees incurred in connection with a defamation suit. In your letter you advised that the following occurred: On January 18, 1983, allegations were made in a local newspaper charging that the Board of Supervisors had been improperly influenced in making a decision concerning a land development project. Supervisor Townsend retained you to meet with the newspaper and to pursue a retraction under Civil Code section 482. The newspaper subsequently ran an article which amounted to such a retraction. The question posed in your language is "... whether or not campaign funds may be used for litigation expenses as they relate to slanderous attacks made on a public official during the course and scope of his governmental duties."

You are correct in your statement that there is no case law that directs us to an answer, at least that we are aware of. Thus, we start with the language of Elections Code section 12401 which prohibits the use of campaign funds to defray expenditures for "personal" use. Section 12401 defines personal use as follows:

"A payment from campaign funds is for personal use if the payment creates a substantial personal benefit and does not have more than a negligible political, legislative, or governmental purpose. However, a payment from campaign funds is not for personal use if it is to replace articles lost, damaged, or stolen in connection with political, legislative, or governmental activity."

Elections Code section 12402 provides in pertinent part:

"The following expenditures shall be considered the personal use of campaign funds, and shall not be made, unless there is a reasonable relationship to political, legislative, or governmental purposes:

"(a) Payments for professional services or personal debts, including, but not limited to, personal income taxes and settlements of civil actions, and related attorneys fees."

Campaign funds are not public funds but private funds which prior to the enactment of the above provisions in 1981 were not subject to any specific statutory restrictions. There is nothing in the language of section 12402, or any other provisions of the chapter of which that section is a part, which would suggest that the Legislature intended to prohibit the use of campaign funds to pay attorney fees in civil actions. The legislative requirement of section 12402 is that an expenditure for professional services bear a reasonable relationship to a political, legislative, or governmental purpose.

You indicated the attorney fees relate to a suit for defamation. In such an action a plaintiff seeks damages or a redress for the wrong committed by the defendant. We believe that where the legal proceeding is one to recover damages, the action is intended to personally benefit the plaintiff and is not reasonably related to a political, legislative, or governmental purpose. However, an attorney's actions can be related to such purposes where the actions of the attorney are directed to the termination of the alleged improper publication -- such as demanding and obtaining a retraction, or injunctive proceedings. In most cases the attorney would be billing the client on an hourly basis for such activities and the amount of time is readily apportionable from any other activity that is undertaken by the attorney. Where that work is part of the services to be performed in a defamation action where the attorney is to be paid on a contingent fee contract, these fees may not readily be apportionable, however.

We believe attorney fees and expenses that arise from a civil action to recover damages -- here an action in defamation -- would be considered a personal use of campaign funds under section 12402. Fees charged to Supervisor

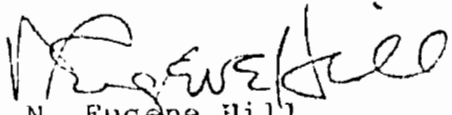
April 4, 1983

Townsend on an hourly basis to cause the discontinuance of the allegedly improper activity and to obtain a retraction can be paid from campaign funds if they are readily apportionable. In that case, the personal benefit is less than substantial and the relationship to a political, legislative, or governmental purpose is direct.

We hope this analysis is helpful to you.

Very truly yours,

JOHN K. VAN DE KAMP  
Attorney General

  
N. Eugene Hill  
Assistant Attorney General

NEH:els



FORM 420  
1987

RECIPIENT COMMITTEE  
CAMPAIGN STATEMENT  
(Government Code Sections 84200-84217)

Type or Print in Ink

Statement covers period 1/1/87 through 6/30/87

FILED  
ANN REED, CLERK

JUL 30 1987

B. Braun  
DEPUTY CLERK

CHECK ONE OF THE FOLLOWING BOXES TO INDICATE THE TYPE OF STATEMENT BEING FILED.

- ☐ PRE-ELECTION STATEMENT  
☒ SEMI-ANNUAL STATEMENT  
☐ SUPPLEMENTAL PRE-ELECTION STATEMENT (If filing a Supplemental Pre-Election Statement, you must complete Form 495 and attach it to this statement.)

- ☐ BALLOT MEASURE QUALIFICATION STATEMENT  
☐ SPECIAL ODD-YEAR CAMPAIGN REPORT

A OFFICIAL USE ONLY

NAME OF COMMITTEE:

Concerned Citizens of Mountain Gate

I.D. NUMBER

8018315

ADDRESS OF COMMITTEE: NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE/PHONE NUMBER

122 Box 1477 Project City, CA 96079 916-275-1129

NAME OF TREASURER:

John K. Brown

PERMANENT ADDRESS OF TREASURER: NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE/BUSINESS PHONE NUMBER

8133 WILDERLAND Blvd. Redding, CA 96003 916-275-1129

II IS THIS A SPONSORED COMMITTEE? (See definition on reverse)

- ☐ YES ☒ NO

III IS THIS A CONTROLLED COMMITTEE? (See definition on reverse)

- ☒ YES (If yes, candidate or officeholder must verify the campaign statement) ☐ NO

DATE OF ELECTION (Mo., Day, Yr.) (If applicable):

NA

TOTAL PAGES

5

IV CANDIDATES OR STATE MEASURE PROPONENTS CONTROLLING THIS COMMITTEE; CANDIDATES, STATE MEASURE PROPONENTS OR COMMITTEES WITH WHICH THIS COMMITTEE ACTS JOINTLY. NOTE: If this committee is controlled by more than one candidate, the name of each controlling candidate must be listed below.

NAME OF CANDIDATE, STATE MEASURE PROPONENT OR AFFILIATED COMMITTEE. IF CANDIDATE, ALSO PROVIDE THE NAME OF THE ELECTIVE OFFICE SOUGHT OR HELD, AND DISTRICT NUMBER, IF ANY.

IF ACTING JOINTLY WITH ANOTHER COMMITTEE, IDENTIFICATION NUMBER OF COMMITTEE OR TREASURER'S NAME AND PERMANENT STREET ADDRESS

Miss Ricketts

BOARD MEMBER

Mountain Gate Community Services

V CANDIDATE(S) OR MEASURE(S) FOR WHICH THIS COMMITTEE IS PRIMARILY FORMED

NAME OF CANDIDATE OR MEASURE	SUPPORT	OPPOSE	OFFICE OF CANDIDATE OR	BALLOT MEASURE NUMBER OR LETTER AND JURISDICTION

Attach additional information on appropriately labeled continuation sheets.

VERIFICATION

C I have used all reasonable diligence in preparing this Statement. I have reviewed the Statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete.  
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

D Executed on 7/29/87 at Redding, Calif by John K. Brown  
(DATE) (CITY AND STATE) (SIGNATURE OF TREASURER)

E A candidate, officeholder or state measure proponent who controls a committee must also verify the campaign statement.  
I have used all reasonable diligence and to the best of my knowledge the treasurer has used all reasonable diligence in preparing this Statement. I have reviewed the Statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete.  
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

F Executed on 7-29-87 at Redding, Calif by Miss Ricketts  
(DATE) (CITY AND STATE) (SIGNATURE OF CANDIDATE, OFFICEHOLDER OR PROPONENT)

Executed on \_\_\_\_\_ at \_\_\_\_\_ by \_\_\_\_\_  
(DATE) (CITY AND STATE) (SIGNATURE OF CANDIDATE, OFFICEHOLDER OR PROPONENT)

Executed on \_\_\_\_\_ at \_\_\_\_\_ by \_\_\_\_\_  
(DATE) (CITY AND STATE) (SIGNATURE OF CANDIDATE, OFFICEHOLDER OR PROPONENT)

For information required to be provided to you pursuant to the Information Practices Act of 1977, see "Information Manual on Campaign Disclosure Provisions of the Political Reform Act."

**CAMPAIGN DISCLOSURE STATEMENT SUMMARY PAGE  
FORM 420 OR 490**

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD

FROM THROUGH

11/1/87 4/30/88

NAME OF CANDIDATE, OFFICEHOLDER OR COMMITTEE:

ARMED CITIZENS OF MOUNTAIN GATE

I.D. NUMBER (IF COMMITTEE)

801835

	COLUMN A Cumulative total from previous period *	COLUMN B Total this period from attached schedules	COLUMN C Cumulative to date (Columns A + B)
<b>CONTRIBUTIONS RECEIVED</b>			
1. Monetary contributions .....	\$	\$ SCHEDULE A, LINE 3	\$
2. Loans received .....		SCHEDULE B, LINE 7	
3. SUBTOTAL CASH RECEIPTS .....	\$ LINES 1 + 2	\$ LINES 1 + 2	\$ LINES 1 + 2
4. Non-monetary contributions .....		SCHEDULE C, LINE 3	
5. TOTAL CONTRIBUTIONS WITHOUT PLEDGES	LINES 3 + 4	LINES 3 + 4	LINES 3 + 4
6. Pledges .....		SCHEDULE D, LINE 7	
7. TOTAL CONTRIBUTIONS .....	LINES 5 + 6	LINES 5 + 6	LINES 5 + 6 (SHOULD EQUAL LINE 7, COLUMNS A + B)
<b>EXPENDITURES MADE</b>			
8. Payments .....	\$	\$ 5.00 SCHEDULE E, LINE 5	\$ 5.00
9. Loans made .....		SCHEDULE EE, LINE 7	
10. SUBTOTAL .....	LINES 8 + 9	5.00 LINES 8 + 9	5.00 LINES 8 + 9
11. Accrued expenses (unpaid bills) .....		1561.75 SCHEDULE F, LINE 6	1561.75
12. TOTAL EXPENDITURES .....	\$ LINES 10 + 11	\$ 1566.75 LINES 10 + 11	\$ 1566.75 LINES 10 + 11 (SHOULD EQUAL LINE 12, COLUMNS A + B)

\* IF THIS IS THE FIRST REPORT FILED FOR THE CALENDAR YEAR, COLUMN A SHOULD BE BLANK EXCEPT FOR UNPAID LOANS RECEIVED, PLEDGES, OUTSTANDING LOANS MADE AND UNPAID BILLS (LINES 2, 6, 9 AND 11).

**STATEMENT OF CHANGES IN FINANCIAL CONDITION**

13. Cash on hand at the beginning of this period. (Enter "Cash on Hand at Closing Date" from previous statement filed.) .....	\$ 290.35
14. Cash receipts this period (Line 3, Column B above) .....	299.96
15. Miscellaneous adjustments to cash (Schedule G, Line 8) .....	5.00
16. Cash payments this period (Line 10, Column B above) .....	
17. Cash on hand at closing date (Lines 13 + 14 + 15 - 16 above) .....	\$ 595.31
18. Cash equivalents (other assets held including outstanding loans made to others). Important: See instructions on reverse .....	\$
19. Outstanding debts (Line 2 + Line 11 of Column C above) .....	\$ 1,561.75

ENDING CASH ON HAND SHOULD NOT BE A NEGATIVE AMOUNT

**SUMMARY FOR CANDIDATES IN BOTH A JUNE AND NOVEMBER ELECTION (See Instructions on Reverse)**

20. CONTRIBUTIONS RECEIVED:

21. EXPENDITURES MADE:

1/1 thru 6/30	7/1 to date

# SCHEDULE E

## PAYMENTS AND CONTRIBUTIONS (OTHER THAN LOANS) MADE PAGE \_\_\_\_ OF \_\_\_\_ FORM 420 OR 490

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD  
FROM 11/1/87 THROUGH 6/30/89

NAME OF CANDIDATE, OFFICEHOLDER OR COMMITTEE:

*Campanella Citizens for Mountain Gate*

I.D. NUMBER (IF COMMITTEE)

*801835*

### CODES FOR CLASSIFYING EXPENDITURES

If one of the following codes is used to describe the expenditure, no written description is needed. (Note exceptions on the back of this schedule for codes "C", "I" and "T".) Refer to the back of this schedule for detailed explanations of each category.

"C" — MONETARY & IN-KIND CONTRIBUTIONS TO OTHER CANDIDATES OR COMMITTEES  
"I" — INDEPENDENT EXPENDITURES  
"L" — LITERATURE  
"B" — BROADCAST ADVERTISING  
"N" — NEWSPAPER AND PERIODICAL ADVERTISING  
"O" — OUTSIDE ADVERTISING

"S" — SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS  
"F" — FUNDRAISING EVENTS  
"G" — GENERAL OPERATIONS AND OVERHEAD  
"T" — TRAVEL, ACCOMMODATIONS AND MEALS  
"P" — PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES

**IMPORTANT:** Do not itemize the payment of accrued expenses on Schedule E. Report only the lump sum of these payments on Line 4 of the Summary section, below.

NAME AND ADDRESS OF PAYEE, CREDITOR OR RECIPIENT OF CONTRIBUTION (IF COMMITTEE, ALSO ENTER I.D. NUMBER OR NAME AND ADDRESS OF TREASURER)	CODE OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
<input type="checkbox"/> If more space is needed, check box at left and attach additional Schedules E.			SUBTOTAL

**IMPORTANT:** Contributions and expenditures on behalf of other candidates or committees must also be entered in the allocation section at the front of the campaign statement.

### SUMMARY

- PAYMENTS OF \$100 OR MORE MADE THIS PERIOD (Include all Schedule E subtotals) .....\$
- PAYMENTS UNDER \$100 THIS PERIOD (Not itemized) .....\$ 5.00
- TOTAL INTEREST PAID THIS PERIOD ON OUTSTANDING LOANS (Schedule B, Part 2, Column (b)) .....\$
- TOTAL ACCRUED EXPENSES PAID THIS PERIOD (Not itemized) (Schedule F, Line 4) .....\$
- TOTAL PAYMENTS THIS PERIOD (Line 1 + 2 + 3 + 4) Enter here and on Line 8, Column B of Summary Page .....\$ 5.00

# SCHEDULE F

## ACCRUED EXPENSES (UNPAID BILLS) FORM 420 OR 490

(Amounts May Be Rounded To Whole Dollars)

PAGE \_\_\_\_\_ OF \_\_\_\_\_

STATEMENT COVERS PERIOD  
FROM \_\_\_\_\_ THROUGH \_\_\_\_\_

1/1/87 6/30/87

NAME OF CANDIDATE, OFFICEHOLDER OR COMMITTEE:

CONCERNED CITIZENS OF MOUNTAIN GATE

I.D. NUMBER (IF COMMITTEE)

801835

### CODES FOR CLASSIFYING ACCRUED EXPENSES

If one of the following codes is used to describe the accrued expense, no written description is needed. (Note exceptions on the back of this schedule for codes "C", "I" and "T".) Refer to the back of this schedule for detailed explanations of each category.

"C" — MONETARY & IN-KIND CONTRIBUTIONS TO OTHER CANDIDATES OR COMMITTEES.  
"I" — INDEPENDENT EXPENDITURES  
"L" — LITERATURE  
"B" — BROADCAST ADVERTISING  
"N" — NEWSPAPER AND PERIODICAL ADVERTISING  
"O" — OUTSIDE ADVERTISING

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"F" — FUNDRAISING EVENTS  
"G" — GENERAL OPERATIONS AND OVERHEAD  
"T" — TRAVEL, ACCOMMODATIONS AND MEALS  
"P" — PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES

NAME AND ADDRESS OF PAYEE, CREDITOR OR RECIPIENT OF CONTRIBUTION (IF COMMITTEE, ALSO ENTER I.D. NUMBER OR NAME AND ADDRESS OF TREASURER)	CODE OR	DESCRIPTION OF PAYMENT	AMOUNT ACCRUED
MICHAEL PATRICK, CITY 571 MARACIA, SUITE C REDDING, CA. 96049	P	ATTY. FEE ORIGINALLY \$11.80 - 12/31/86 \$2205.00 ACTUAL BILL AMT. \$21.00	21.50 0.50
MICHAEL PATRICK 571 MARACIA, SUITE C REDDING, CA. 96049	P	ACCRUED EXPENSES OF \$21.00 PAID BY INS. COMPANIES OF ALFORD, BREEN, SAMES, MCDONALD	21.00
SUBTOTAL			0.00

☐ If more space is needed, check box at left and attach additional Schedules F.

**IMPORTANT:** Do not itemize the *payment* of accrued expenses on Schedules E or F. Report the lump sum of these payments on Schedule E, Line 4, and on Schedule F, Line 4. Do not re-itemize accrued expenses which have been reported in a previous period.

### SUMMARY

1. ACCRUED EXPENSES OF \$100 OR MORE THIS PERIOD .....	\$ 1,561.75
2. ACCRUED EXPENSES OF UNDER \$100 THIS PERIOD (Not itemized) .....	0.00
3. TOTAL ACCRUED EXPENSES INCURRED THIS PERIOD (Line 1 + 2) .....	1,561.75
4. ACCRUED EXPENSES PAID THIS PERIOD (Not itemized) (Enter here and on Schedule E, Line 4) .....	0.00
5. NET CHANGE THIS PERIOD (Subtract Line 4 from Line 3) Enter difference here and on Line 11, Column B of Summary Page .....	1,561.75

(May be negative figure)



**SCHEDULE G**

**MISCELLANEOUS ADJUSTMENTS TO CASH POSITION  
FORM 420 OR 490**

(Amounts May Be Rounded To Whole Dollars)

PAGE \_\_\_\_\_ OF \_\_\_\_\_

STATEMENT COVERS PERIOD  
FROM \_\_\_\_\_ THROUGH \_\_\_\_\_

11/1/87 6/30/87

NAME OF CANDIDATE, OFFICEHOLDER OR COMMITTEE:

CONCERNED CITIZENS OF MOUNTAIN GATE

I.D. NUMBER (IF COMMITTEE)

801835

DATE	NAME AND ADDRESS OF SOURCE (IF RECEIPT) OR PAYEE (IF EXPENDITURE). (IF COMMITTEE, ALSO ENTER I.D. NUMBER OR NAME AND ADDRESS OF TREASURER.)	DESCRIPTION OF ADJUSTMENT	AMOUNT OF	
			INCREASE TO CASH	DECREASE TO CASH
3/1/87	HOMER FEDERAL SAVINGS BULLHORN LANE REDDING, CA. 96002	INTEREST ON SAVINGS ACCT. #13311038932	2.68	
6/1/87	HOMER FEDERAL SAVINGS	"	7.28	
4/1/87	MRS FITZPATRICK (ATTY.) 571 MARAGLIA DRIVE C REDDING, CA. 96044	REIMBURSEMENT BY INSURANCE COMPANIES OF AFFORD, BREEN, JAMES + MELBY	290.00	
SUBTOTAL			(a) 299.96	(b)

☐ If more space is needed, check box at left and attach additional Schedules G

**SUMMARY**

1. INCREASES TO CASH OF \$100 OR MORE THIS PERIOD (Column (a))	\$ 299.96	
2. INCREASES TO CASH OF LESS THAN \$100 THIS PERIOD (Not itemized)	—	
3. TOTAL OF ALL INTEREST RECEIVED THIS PERIOD ON LOANS MADE TO OTHERS (Schedule EE, Part 2 (b))	—	
4. TOTAL INCREASES TO CASH THIS PERIOD (Line 1 + 2 + 3)		299.96
5. DECREASES TO CASH OF \$100 OR MORE THIS PERIOD (Column (b))	—	
6. DECREASES TO CASH OF LESS THAN \$100 THIS PERIOD (Not itemized)	—	
7. TOTAL DECREASES TO CASH THIS PERIOD (Line 5 + 6)		
8. TOTAL MISCELLANEOUS ADJUSTMENTS TO CASH THIS PERIOD (Line 4 minus Line 7) Enter here and on Line 15 of Summary Page		\$ 299.96

(May be negative figure)

JOHN K. VAN DE KAMP  
Attorney General

State of California  
DEPARTMENT OF JUSTICE



1515 K STREET, SUITE 511  
P.O. BOX 944255  
SACRAMENTO 94244-2550  
(916) 445-9555

September 15, 1987

(916) 324-5481

Ms. Jean K. Breen  
Concerned Citizens for Mountain Gate  
P. O. Box 1479  
Project City, CA 96079

Dear Ms. Breen:

This letter is in response to your correspondence of September 4, 1987 requesting advice concerning your reporting obligations in connection with raising funds to pay for legal representation. Although we will not be able to answer the two questions you posed, I nevertheless hope this letter will be helpful to you.

The two questions specifically asked in your letter concern your compliance with the reporting provisions of the Political Reform Act. In this regard, we defer to the Fair Political Practices Commission which has the primary responsibility for interpreting and implementing the Political Reform Act. Based on the information set forth in your letter, we have no reason to question the advice they have provided you with respect to your reporting obligations.

The Attorney General's office has jurisdiction over the prohibition against the personal use of campaign funds contained in Elections Code section 12400 et seq. With respect to the application of that section to your circumstances, I am including two advice letters which this office released in the past. Both letters discuss the appropriateness of using campaign funds to pay for legal fees and, therefore, hopefully will be of assistance to you.

Very truly yours,

JOHN K. VAN DE KAMP  
Attorney General

A handwritten signature in dark ink, appearing to read "Ted Prim", is written over the typed name.

TED PRIM  
Deputy Attorney General

TP/bam

Enc.



April 4, 1983

Blanca Alvarado  
1411 Sunshadow Lane  
San Jose, CA 95127

Dear Ms. Alvarado:

Re: Use of Campaign Funds

Your letter dated January 25, 1983 asks whether campaign funds may be used to pay attorneys fees expended to defend a campaign worker charged with malicious mischief. In your letter you advised us of the following: A campaign worker found that campaign signs of your opponent had been placed so that they covered signs for your campaign, which had been placed throughout the district. Your campaign worker removed the signs of your opponent that covered your signs. They were taken to your opponent. Your opponent filed a complaint with the District Attorney and your campaign worker was cited for malicious mischief.

You wish to know whether under such circumstances the fees of the attorney defending your campaign worker against malicious mischief charges may be paid from campaign funds.

Elections Code section 12401 prohibits the use of campaign funds to defray expenditures for "personal" use. Section 12401 defines personal use as follows:

"A payment from campaign funds is for personal use if the payment creates a substantial personal benefit and does not have more than a negligible political, legislative, or governmental purpose. However, a payment from campaign funds is not for personal use if it is to replace articles lost, damaged, or stolen in connection with political, legislative, or governmental activity."

April 4, 1983

Elections Code section 12402 provides in pertinent part:

"The following expenditures shall be considered the personal use of campaign funds, and shall not be made, unless there is a reasonable relationship to political, legislative, or governmental purposes:

"(a) Payments for professional services or personal debts, including, but not limited to, personal income taxes and settlements of civil actions, and related attorneys fees."

Campaign funds are not public funds but private funds which prior to the enactment of the above provisions in 1981 were not subject to any specific statutory restrictions. There is nothing in the language of section 12402, or any other provisions of the chapter of which that section is a part, which would suggest that the Legislature intended to prohibit the use of campaign funds to pay attorneys fees in criminal actions. The legislative requirement of section 12402 is that an expenditure for professional services bear a reasonable relationship to a political, legislative, or governmental purpose.

On the basis of the facts included in your letter, we have concluded that fees to an attorney acting to defend criminal charges brought against a campaign worker for acts undertaken in furtherance of the campaign, may be properly paid from campaign funds. Section 12402 provides that such fees are not a personal use of campaign funds when the use bears a reasonable relationship to a political, legislative or governmental purpose. When a campaign worker undertakes action which is believed to be in furtherance of the campaign and a dispute arises as to whether that action is proper or improper, we believe that campaign funds may be used to resolve the dispute. However, we must emphasize

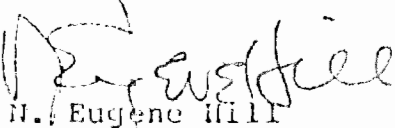
April 4, 1983

that the use of campaign funds for such purposes is not mandated -- all we say is that we believe that such use is not prohibited under sections 12401 and 12402.

We hope this analysis is of assistance to you.

Very truly yours,

JOHN K. VAN DE KAMP  
Attorney General



N. Eugene Hill  
Assistant Attorney General

NEH:els

JOHN K. VAN DE KAMP  
Attorney General

State of California  
DEPARTMENT OF JUSTICE



555 CAPITOL MALL, SUITE 350  
SACRAMENTO 95814  
(916) 445-9555

SB 42-83-18

April 4, 1983

Albert H. Maldonado, Esq.  
710 Brookside Avenue, Suite 7  
Redlands, CA 92373

Dear Mr. Maldonado:

Re: Use of Campaign Funds

Your letter dated March 3, 1983 asks whether San Bernardino County Supervisor Robert Townsend may use campaign funds to pay attorney fees incurred in connection with a defamation suit. In your letter you advised that the following occurred: On January 18, 1983, allegations were made in a local newspaper charging that the Board of Supervisors had been improperly influenced in making a decision concerning a land development project. Supervisor Townsend retained you to meet with the newspaper and to pursue a retraction under Civil Code section 482. The newspaper subsequently ran an article which amounted to such a retraction. The question posed in your language is "... whether or not campaign funds may be used for litigation expenses as they relate to slanderous attacks made on a public official during the course and scope of his governmental duties."

You are correct in your statement that there is no case law that directs us to an answer, at least that we are aware of. Thus, we start with the language of Elections Code section 12401 which prohibits the use of campaign funds to defray expenditures for "personal" use. Section 12401 defines personal use as follows:

"A payment from campaign funds is for personal use if the payment creates a substantial personal benefit and does not have more than a negligible political, legislative, or governmental purpose. However, a payment from campaign funds is not for personal use if it is to replace articles lost, damaged, or stolen in connection with political, legislative, or governmental activity."

Elections Code section 12402 provides in pertinent part:

"The following expenditures shall be considered the personal use of campaign funds, and shall not be made, unless there is a reasonable relationship to political, legislative, or governmental purposes:

"(a) Payments for professional services or personal debts, including, but not limited to, personal income taxes and settlements of civil actions, and related attorneys fees."

Campaign funds are not public funds but private funds which prior to the enactment of the above provisions in 1981 were not subject to any specific statutory restrictions. There is nothing in the language of section 12402, or any other provisions of the chapter of which that section is a part, which would suggest that the Legislature intended to prohibit the use of campaign funds to pay attorney fees in civil actions. The legislative requirement of section 12402 is that an expenditure for professional services bear a reasonable relationship to a political, legislative, or governmental purpose.

You indicated the attorney fees relate to a suit for defamation. In such an action a plaintiff seeks damages or a redress for the wrong committed by the defendant. We believe that where the legal proceeding is one to recover damages, the action is intended to personally benefit the plaintiff and is not reasonably related to a political, legislative, or governmental purpose. However, an attorney's actions can be related to such purposes where the actions of the attorney are directed to the termination of the alleged improper publication -- such as demanding and obtaining a retraction, or injunctive proceedings. In most cases the attorney would be billing the client on an hourly basis for such activities and the amount of time is readily apportionable from any other activity that is undertaken by the attorney. Where that work is part of the services to be performed in a defamation action where the attorney is to be paid on a contingent fee contract, these fees may not readily be apportionable, however.

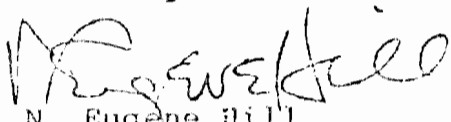
We believe attorney fees and expenses that arise from a civil action to recover damages -- here an action in defamation -- would be considered a personal use of campaign funds under section 12402. Fees charged to Supervisor

Townsend on an hourly basis to cause the discontinuance of the allegedly improper activity and to obtain a retraction can be paid from campaign funds if they are readily apportionable. In that case, the personal benefit is less than substantial and the relationship to a political, legislative, or governmental purpose is direct.

We hope this analysis is helpful to you.

Very truly yours,

JOHN K. VAN DE KAMP  
Attorney General

  
N. Eugene Hill  
Assistant Attorney General

NEH:els